

Information Item

Community Development Committee



Meeting date: April 21, 2025

Topic

Livable Communities Program Update: Alignment with Imagine 2050

District(s), member(s):	All
Policy/legal reference:	Minn. Stat. § 473.25
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Division/department:	Community Development/Regional Planning

Background: A 30 Year Commitment to Livable Communities

Over the past 30 years, Livable Communities Act (LCA) programs have been successful, popular, and played a crucial role in shaping the region's growth and development. **With more than \$532M in grants awarded through more than 1400 projects, the program has contributed to the region's vitality.** In the past decade alone, LCA funds have helped:

- Create more than 20,000 affordable housing units
- Develop nearly 9,000 market rate housing units
- Generate more than 18,000 living wage jobs
- Increase the region's annual net tax capacity by more than \$53M
- Shape and grow the region's transit-oriented development.

At the April 21 Committee meeting, Council staff will seek Council Member feedback on the approach to LCA program design and alignment with Imagine 2050.

Program Update & Alignment Process: Collaboration and Iteration

The Council has been engaged in a multi-year effort to update and align the LCA grant program. The primary goals of this update are to:

- **Impact:** Ensure the program continues to be an impactful and tangible way to demonstrate the Council's priorities.
- **Responsiveness:** Ensure that current and potential grantees' experience with the program is positive.
- **Alignment:** Align the LCA program with the new regional development guide, Imagine 2050.

The program design process has been informed by several key sources, including the [enabling statute](#), the Council's strategic plan, and the current regional development guide ([Imagine 2050](#)). Through this process, the Council has sought ongoing input from a broad range of stakeholders—including developers, cities, counties, and community organizations—to ensure that the updated program meets the needs of the communities and partners involved.

In 2021, Council staff launched an annual survey to solicit feedback from applicants to each

program during the funding year. Based on this feedback, small changes were made through the Fund Distribution Plan, while more substantial program updates are being developed in response to the broader feedback gathered during this process.

In 2023, members of the Community Development Committee (CDC) and staff spent time in working group sessions to test assumptions, identify desired outcomes, and plan for this program update. Staff also interviewed developers, city staff, and county staff about their local needs and barriers to meeting them. Staff from cities who apply to LCA often, do not apply, and are not participating were included in the interviews.

Last year, in 2024, the Council engaged consultants Mary Kay Bailey and Ellen Watters to (1) encourage broad participation from communities in the region and reduce barriers to entry to the grant programs and (2) ensure the alignment of program design with Imagine 2050. The final [consultants' report](#) from November 2024 focused on the first goal, as Imagine 2050 was not adopted until February 2025. The final report notes, "Committee members will need to provide clear direction to staff about how the goals and outcomes of Imagine 2050 are reflected in LCA." Today's information item is an update about where we are in the process to align the LCA grant programs with Imagine 2050.

What is a "Livable Community"

When designing the LCA program recommendations, staff start with the goal the program should achieve and use that to design a process to meet the goal. At the highest level, the Livable Communities Act Program funds local action and projects to make communities more livable in alignment with regional goals; the complexity is in how regional policy interacts with the enabling statute.

The [LCA enabling statute](#) is the foundation of the Livable Communities Act programs. It includes housing, living wage jobs, and compact, efficient development. The statute also prioritizes development that is interrelated with transit and employment growth areas, necessitates intensifying land use, values mixed income communities, and encourages infrastructure investment that connects communities, attract private sector investment, and expand employment opportunities.

The Council then layers the [Imagine 2050](#) goals to be equitable and inclusive, healthy and safe, dynamic and resilient; lead on addressing climate change; and protect and restore natural systems on top of the legislative definition. Furthermore, the Imagine 2050 Housing Policy Plan, Land Use Policy Plan, and Transportation Policy Plan have specific applications of Imagine 2050 goals to livable communities. With limited resources (\$29.4M in 2025), the LCA programs cannot fund every one of these interconnected areas.

Council staff are using community input to refine the elements of a livable community for the LCA program design. This month, staff are hosting four conversation sessions with developers, city, and county staff from communities across the region and who have varying levels of experience with the LCA programs. (At the time this report was submitted, three of the four sessions were complete.)

Key elements so far from each focus group include:

- It is important for LCA to fund projects tailored to the local community's needs.
- It is important to set the conditions for livable communities beyond construction projects.
- Equity and justice are interconnected to every aspect of a livable community.
- Livable communities offer:
 - **Choice in housing and transportation** (aligns with the Imagine 2050 goal to create a dynamic and resilient region).
 - **Safety—physical, mental, and cultural** (aligns with the Imagine 2050 goals that (1) our region is equitable and inclusive and (2) that communities that are healthy and safe).
 - **The ability to meet your daily needs locally** (aligns with the Imagine 2050 goals to (1) make our region more dynamic and resilient by addressing issues of access, choice, and affordability and (2) to ensure our communities are healthy and safe).

Next Step: Program Design

Drawing on four years of input, staff are working toward recommendations for an updated LCA program design for the Committee's consideration in Fall 2025. The design will be rooted in the Imagine 2050 values of equity and accountability:

- Create systems, policies, and programs that repair and heal past harm, foster an equitable future, and eliminate disparities
- Be transparent and flexible so that we can change course when needed.

The updated program will continue to fund a broad range of activities across the development continuum, from setting development conditions through policy to pre-development to construction. Program recommendations will include addressing statutory requirements and priorities outlined in Imagine 2050.

Additionally, staff are focused on process improvements that enhance accessibility for grantees:

- **Simpler** for grantees to access ([fall 2024 Consultant Report](#))
- **Data driven** with focus on continuous improvement (2023 Council Direction)
- **Responsive** to potential applicant needs (2023 Council Direction)

The [fall 2024 Consultant Report](#) included several recommendations that may help increase responsiveness to community needs. Staff are studying the recommendations in the context of results from the engagement sessions, including:

- Increasing support for affordable housing preservation
- Moving from a one-year to a two-year fund distribution plan
- Increasing funding to pre-development and homeownership activities
- Create scoring alignment with Minnesota Housing Consolidated Request for Proposals and other funding partners

Timeline for Next Steps

April 2025: Staff will begin program design work.

May–July 2025: Staff will seek feedback from developers, cities, counties, and other stakeholders on initial program design concepts.

July 2025: An update on the LCA program update process and initial program design concepts will be presented to CDC¹.

Fall 2025: Staff will present the final program design recommendation to CDC for acceptance, allowing outreach and technical assistance to begin for the 2026 grant cycle.

January - February 2026: The 2026 Fund Distribution Plan, including funding levels, will be submitted for approval.

Council staff appreciate the ongoing support and engagement of Council Members and partners across the region as staff work toward finalizing the LCA program update. Continued input is essential to ensure that the program meets the region's needs and reflects a shared vision for a livable, equitable, and resilient community.

¹ Since engaging the consultants in early 2024, staff presented to CDC on [March 18](#), [July 15](#), [September 3](#), [October 7](#), [November 18](#), and [December 16](#).